



Elphinstone, Inc.  
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## Relationship Summary

This document provides information about the qualifications and business practices of Elphinstone, Inc. If you have any questions about the content of this brochure, please contact us at +1 (212) 882-1067 or e-mail us at [help@elphinstone.us](mailto:help@elphinstone.us).

This document has not been approved by the United States Securities and Exchange Commission or any state securities authority. Additional information about Elphinstone, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Any reference in this document to the terms "registered investment adviser", "registered investment advisor", or "registered" in no way implies a certain level of skill or training.

Date: January 9, 2023

Updates reflect addition of US investment product

## Introduction

Elphinstone is registered with the United States Securities and Exchange Commission (SEC) as an investment adviser. An investment advisor is different than a brokerage, and services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## “What investment services and advice can you provide me?”

Elphinstone is an investment advisor which uses a website and app to provide automated investment advice to customers.

- Monitoring: Account allocations are determined by algorithm, and reviews may be randomly conducted to ensure the algorithm is appropriately placing client investments.
- Investment Authority: Elphinstone does not currently accept discretionary authority to manage securities accounts on behalf of clients. Ultimately, Elphinstone will follow the client’s direction on how to invest the client’s money.
- Limited Investment Offerings: Elphinstone currently only offers placement of funds in US equities, exchange traded funds (ETFs), and select Pakistani mutual funds.
- Account minimums: There are currently no minimum account sizes, though the company may not be able to offer its full range of services to clients who have less than \$100 for their US investments and less than Rs2,000 for their Pakistan investments.
- Consider the following **conversation starters**. Ask your financial professional:
  - “Given my financial situation, should I choose a [brokerage service or investment advisory service? Why or why not?”
  - “Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?”
  - “How will you choose investments to recommend to me?”
  - “What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?”

## What fees will I pay?

- **US investment product**: Investment advisory services for clients who wish to invest in US securities are currently subject to a fee of 1% of assets under management, calculated on a prorated basis per calendar day. For instance, in a non-leap year, the fees a client would pay would be calculated as follows:

$$\text{Day end account balance} * \frac{1}{365} * 1\%$$

The fees are all-inclusive and would cover any brokerage fees, SEC, and FINRA fees associated with trades placed in the client account.

- **Pakistan investment product:** Use of Elphinstone’s SmartRupee services for individuals is currently free to retail customers. Elphinstone will charge employee retirement plans in Pakistan a fee not exceeding 0.4% of assets under management or Rs50 per employee per month, whichever is higher. If the fee is determined as a percentage of assets under management, it will be levied on the same prorated by calendar day basis as the fees for the US investment product outlined above.
- For the Pakistan investment product, Elphinstone makes a commission from the asset management companies whose mutual funds we recommend to our clients. Those asset management companies pay us those commissions as a percentage of the management fees they charge our clients. In that sense, our clients are paying for the investment management services that Elphinstone is offering: we are just not charging anything extra, but instead sharing in fees that any investor would have to pay anyway to invest in a mutual fund. In fact, if one fund is a better fit for a customer, our app or website will recommend it even if Elphinstone would get a smaller share of the management fee compared to other funds. Elphinstone currently only offers placement of funds with a selection of Pakistani mutual funds, receives a fee from each of these Pakistani funds.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.
- Consider the following **conversation starter**. Ask your financial professional:
  - “Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

**“What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?”**

- When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:
  - If one fund offers a larger share of the management fee, but does worse than another fund, our interest would not immediately align with yours. We always select the fund that is best for the client however.
- Consider the following **conversation starter**: Ask your financial professional:
  - “How might your conflicts of interest affect me, and how will you address them?”

**“How do your financial professionals make money?”**

Elphinstone employees receive a cash salary. Employees are not compensated by any incentive structure, allowing employees to be impartial advocates on behalf of clients.

**“Do you or your financial professionals have legal or disciplinary history?”**

- No member of Elphinstone has a legal or disciplinary history.

- Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research you and your financial professionals.
- Consider the following **conversation starter**. Ask your financial professional:
  - “As a financial professional, do you have any disciplinary history? For what type of conduct?”

### **Additional Information**

- For additional information about our services, visit <https://www.elphinstone.us>. If you would like additional, up-to-date information or a copy of this disclosure, please call +1 (212) 882-1067 or [help@elphinstone.us](mailto:help@elphinstone.us).
- Consider the following **Conversation Starters**: Ask your financial professional:
  - “Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?”
  - “Who can I talk to if I have concerns about how this person is treating me?”